

FORM NO. 51-48
DEC 1951

25X1A9a

File

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~
CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

COUNTRY Pakistan

SUBJECT Economic Review

PLACE ACQUIRED
(BY SOURCE)DATE ACQUIRED
(BY SOURCE)

DATE (OF INFO.)

Oct 54

Sep 54 & earlier

This unevaluated information for US Officials
Only is supplied for the possible interest of
your analysis. It does not warrant dissemination by [redacted]

25X1A2g

25X1A2g

RESPONSIVE TO	
1	2
CD NO.	
OO/C NO.	
ORR NO.	
DAS NO.	
OCI NO.	

DATE DISTR.

NO. OF PAGES 1

NO. OF ENCLS.

SUPP. TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE
OF THE UNITED STATES WITHIN THE MEANING OF TITLE 18, SECTIONS 793
AND 794, OF THE U.S. CODE. ITS TRANSMISSION OR REVELA-
TION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS
PROHIBITED BY LAW. THE REPRODUCTION OF THIS REPORT IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1X6

SOURCE

- "In an economic review of the country, the governor of the State Bank of Pakistan refuted the arguments for the readjustment of the exchange rate as a measure for stimulating exports and said that devaluation would increase import costs and thus reinforce inflationary pressure in the economy. The decline in the country's foreign exchange earnings, he emphasized, had been due to the subdued state of international markets for major exports which had otherwise remained fully competitive. Admitting that the price control measures of the government had not achieved the desired objective, the governor explained that the cost of living was currently subjected to two opposite influences; (a) decline in agricultural prices resulting in some amount of dis-saving in the agricultural sector, and (b) the high level of prices in imported consumer goods. The obvious remedy was to increase domestic production and the governor expressed satisfaction that direct government outlay on industries and fiscal fillips to private industrial enterprise are bearing encouraging results.
- "Speaking of the balance of payments position, the governor said that though heavy deficits had been eliminated - from Rs 407.9 million in the year 1952-53, the deficit in the balance of payments has been reduced to Rs 27.9 million during the year 1953-54, - the trend continued to cause anxiety. The deficits had been controlled by a severe curtailment in payments but the continuous decline in foreign exchange receipts over the past four years constituted the main problem of the country's economy. Pakistan's foreign exchange reserves had declined to Rs 630 million underlining the need for restricting payments in coming years."

-end-

TYPE ACT-DATE INFO-TFR-DATE ACT

- 34 -

DEC 21 1954

U.S. Officials Only

~~CONFIDENTIAL~~

DISTRIBUTION	STATE	ARMY	NAVY	AIR	FBI				
--------------	-------	------	------	-----	-----	--	--	--	--

This report is for the use within the USA of the Intelligence components of the Departments or Agencies indicated above. It is not to be disseminated outside the Department of the Assistant Director of the Office of Collection and Dissemination, CIA.